

ORIGINAL

SAHUARITA
Water Company



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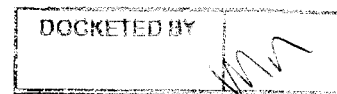
Via Certified Mail

December 8, 2009

Docket Control
Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

DEC - 9 2009



Re: Sahuarita Water Company, LLC: Compliance with Decision No. 70620
Docket No. W-03718A-07-0687

Pursuant to the above mentioned decision, Sahuarita Water Company, LLC hereby submits fourteen (14) copies of this compliance filing in accordance with the Commission's order to provide copies of the Best Management Practices (as outlined in ADWR's Modified Non-Per Capita Conservation Program), as specified on Page 11 in Paragraph #7, starting on Line 18.

Please return one copy to us marked "filed" in the enclosed, stamped, self-addressed envelope.

If you need any additional information in regards to this compliance item, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Marian Homiak
Controller

/mh
Enclosures

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2009 DEC -9 P 4: 02
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Sahuarita

Water Company



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2009 DEC -9 P 4: 02

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Sahuarita Water Company, LLC Docket No. W-03718A-07-0687

As part of the Arizona Corporation Commission's (ACC) decision in connection with Sahuarita Water Company's (SWC) application for extension of its Certificate of Convenience & Necessity for Water Service, (Decision No. 70620), the ACC issued Finding of Fact No. 33 and the Fifth Ordering Paragraph which specifically provided as follows:

"Since SWC is located in the Tucson Active Management Area, it will be required to comply with conservation goals and management practices of the Arizona Department of Water Resources ("ADWR"). We would like SWC, and SWC has agreed, to go beyond those requirements; therefore, we will require SWC to implement, by December 31, 2009, at least five additional Best Management Practices ("BMP") (as outlined in ADWR's Modified Non-Per Capita Conservation Program) than would be required for a water company of its customer size. This would require SWC to implement six BMPs by December 31, 2009, ten BMPs once it serves 5,001 to 30,000 connections, and fifteen BMPs once it serves over 30,000 connections." [Decision No. 70620, page 8, lines 9-16]

"IT IS FURTHER ORDERED that Sahuarita Water Company, L.L.C., shall implement, by December 31, 2009, at least five more Best Management Practices (as outlined in ADWR's Modified Non-Per Capita Conservation Program) than would be required for a water company of its customer size and submit those Best Management Practices to Docket Control within thirty days of implementation (i.e., the first six Best Management Practices would need to be submitted by January 30, 2010)." [Decision No. 70620, page 11, lines 18.5-23.5]

During the 3rd quarter 2009, SWC service connections exceeded 5,000. According to the ACC order, SWC must therefore implement 10 BMPs (plus the required public education requirement) by December 31, 2009. This document describes the approach taken by SWC to select the appropriate BMPs, and to comply with Decision No. 70620 as described above.

Selection of BMPs

ADWR's 3rd Management Plan has described certain water conservation requirements for Large Municipal Water Providers regulated under the Modified Non-Per Capita Conservation Program (NPCCP). It includes a required public education program and also lists an additional 53 potential water conservation measures (BMPs) providers can choose from to implement in their companies based upon service characteristics, customer attributes and potential impact on actual water savings.

To assist water providers with the selection of BMPs, ADWR developed through its NPCCP stakeholder process, a matrix that matches 30 typical service characteristics with the 53 BMPs that they suggest would be best suited for agencies' water service area. Using this matrix, SWC identified (11) service characteristics that most closely resemble its customer base.

- Rapidly growing residential sector
- Large number/percentage of residential users
- Serves active adult community
- New residential development is largely oriented toward families
- Current residential development is largely oriented toward families
- New service area with predominantly Xeriscape landscaping
- High density area with small lots
- High rate of turnover in existing properties
- Frequent incidence of customer high water use complaints
- Frequent incidence of spikes in customer water use
- Unexplained system losses

Using these service characteristics as guidance, SWC has identified and implemented the following BMPs which it believes will most effectively promote water conservation within its service area:

- Public Education Program
- (2.2) - Youth Conservation Education Program
- (2.4) - Xeriscape Demonstration Garden
- (3.6) - Customer High Water Use Inquiry Resolution
- (3.7) - Customer High Water Use Notification
- (3.8) - Water Waste Investigations and Information
- (4.2) - Meter Repair and/or Replacement Program
- (5.1) - Low Water Use Landscaping Requirements for Residential
- (5.13) - Requiring a Commercial Water Use Plan
- (6.12) - Large Landscape Conservation Program
- (7.8) - Piloting a New Initiative, Project or Program

On the following pages the descriptions for each of the above BMPs have been formatted in proposed tariff format for ACC Staff review and approval.

Thank you for your assistance in docketing this letter and the attached compliance materials.
Please advise me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'MS', with a stylized flourish extending from the end.

Mark Seamans, President
Sahuarita Water Company, LLC

cc: ALJ Belinda Martin
Kimberly Battista

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Public Education Program

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to provide free written information on water conservation measures to its customer base and to remind them of the importance of conserving water.

PUBLIC EDUCATION PROGRAM – REQUIRED BMP

Water conservation tips and other water conservation brochures are available in SWC's customer lobby. Bill inserts or other media will be used twice a year to communicate with all customers reminding them of the importance of conserving water and informing them that water conservation information is available to them from SWC.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide are as follows:

1. SWC shall provide free written information on water conservation measures to its customers. Where practical, SWC shall make this information available in digital format which can be emailed to customers upon request or posted upon its website.
2. At least twice a year, SWC shall remind customers of the importance of water conservation measures and inform them of the information available from the company. This will be achieved through bill inserts, bill messages or through a company website.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Youth Conservation Education Program

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to increase students' understanding of water resources and to promote water conservation.

YOUTH CONSERVATION EDUCATION PROGRAM – BMP 2.2

The program may include, but is not limited to, a combination of providing instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.

REQUIREMENT

The requirements of this tariff are governed by the Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. SWC shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Xeriscape Demonstration Garden

PURPOSE

The purpose of this tariff is to inform its customers that Sahuarita Water Company, LLC ("SWC") will provide a Xeriscape demonstration garden for the purpose of educating its customer base on low water-use landscaping.

XERISCAPE DEMONSTRATION GARDEN – BMP 2.4

The Company shall maintain a native plant, Xeriscape demonstration garden available for public viewing at Linear Park located along S. Rancho Sahuarita Blvd in Sahuarita, AZ. The demonstration garden shall include a variety of low water use and native plants, shrubs and shade trees. The demonstration garden shall include a walkway throughout the site and will also include field identification for each variety of plant.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program and are as follows:

1. SWC will provide a Xeriscape demonstration garden for the purpose of educating its customer base.
2. Maps providing driving directions and field guides identifying the plants within the Xeriscape demonstration garden will be available in SWC's office.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Customer High Water Use Inquiry Resolution

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to assist its customers with their high water-use complaints.

HIGH WATER USE INQUIRY RESOLUTION PROGRAM – BMP 3.6

SWC handles high water use inquiries as calls are received. Calls are taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves. However, when warranted, a trained Field Technician is sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. SWC shall assign a designee(s) to assist customers with their high water-use complaints. The program shall included a site inspection to discover the cause of an increase in the water bill.
2. SWC shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Customer High Water Use Notification

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to conserve groundwater and promote water conservation measures for customers with high water use.

CUSTOMER HIGH WATER USE NOTIFICATION PROGRAM – BMP 3.7

Monthly, SWC will review consumption reports to identify customers with high water use. A Field Technician will be dispatched to determine if (1) the meter read was properly recorded, and (2) if there are any obvious leaks which can be observed at the customer's premise. If a leak is detected at this time, the Field Technician will hang a notice on the customer's front door with a request for them to notify the office regarding the leak. If there are no leaks detected, and the meter read has been determined to be correct, the Field Technician will leave a door knob bag of water conservation information including a Self-Audit Water Consumption Worksheet which will help customers identify their water consumption behaviors so that they may be better able to reduce consumption in the future.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. SWC shall identify customers with high consumption and investigate each instance to determine the cause. This will include notifying each customer of their high use, assist with the determination of the cause and provide water conservation information that could benefit the customer.
2. SWC shall record each account noted for high consumption, the action taken and any follow-up activities.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Water Waste Investigation and Information

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to conserve groundwater and promote water conservation measures for customers who are found consistently to be wasting water.

WATER WASTE INVESTIGATION AND INFORMATION PROGRAM – BMP 3.8

SWC handles water waste complaints as calls are received. Company representatives are trained to determine the type of water waste and to determine if it may be attributed to a leak or broken water line. Once the nature of the complaint has been determined, a Field Technician is dispatched to investigate further and notify the responsible party of the waste. A notice of the violation will be hung on the customer's door as well as a letter noting the violation and of the enforcement mailed to the customer. A second violation of the same nature will result in the same procedures. In the event of a third violation within 12 months of the first violation, the Field Technician will shut and lock off the water meter. Service will be reconnected once SWC is assured the customer has satisfactorily addressed the cause of the violation. A service reconnection fee will be charged to the customer.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission specifically R14-2-410 and R14-2-403 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program and are as follows:

1. SWC shall follow-up on all complaints of water waste. A Field technician will be dispatched to investigate further and notify the responsible party of the waste. SWC will issue a warning letter notifying the customer of the water waste, and offering assistance to prevent waste in the future. The same procedures will be followed in the event of a second violation. Termination of service shall result in the event of the third violation within a 12 month period.
2. SWC shall record each account and each instance noted for waste water, the action taken and any follow-up activities.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Meter Repair and/or Replacement

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to support water conservation measures which more accurately record water consumption by implementing a program (i) to systematically identify meters in its water service area which should replace under-registering meters and (ii) to replace or reprogram registers that measure consumption in 1000 gallon increments with register that measure consumption in 1 gallon increments.

METER REPAIR AND/OR REPLACEMENT PROGRAM – BMP 4.2

On a continuous basis, SWC systematically inspects 100% of its meters street by street. A Field Technician will physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. All meter information is verified with the physical meter to make sure meter reads are properly converted for calculation of consumption. In addition, meters are randomly selected for flow testing to identify potentially under-registering meters.

REQUIREMENT

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. SWC shall implement a program to systematically identify meters in its water service area which should (i) replace under-registering meters and (ii) replace or reprogram registers that measure consumption in 1000 gallon increments with registers that measure consumption in 1 gallon increments.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Low Water Use Landscaping Requirement Tariff

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to conserve groundwater and promote the conservation of groundwater by reducing the amount of water necessary for outdoor landscaping.

LANDSCAPE WATER CONSERVATION MEASURES – BMP 5.1

In accordance with the Arizona Corporation Commission ("ACC") Decision No. 70620, the Company is required to adopt and implement water conservation measures. In support of these water conservation goals, the homeowner associations of Rancho Resort and Rancho Sahuarita have incorporated into their respective CCRs landscape guidelines that promote the seven principles of "Xeriscape", which include:

- a. Water conserving design.
- b. Low water use/drought tolerant plants
- c. Reduction in turf areas
- d. Water harvesting techniques
- e. Appropriate irrigation methods
- f. Soil improvements and use of mulches, and
- g. Proper maintenance practices.

The Line Extension Agreements and/or Main Extension Agreements for all development within SWC's service area will require the use of low water use/drought tolerant plants and the inclusion in their CCRs, the promotion of the principles of "Xeriscape" and restricted use of prohibited plants. The approved plant lists and prohibited plant lists developed by the homeowner associations is available from SWC upon request.

REQUIREMENT:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically A.A.C. R14-2-405 and R14-2-406 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program and:

1. Subject to the provisions of this tariff, the use of low water use/drought tolerant plants and the inclusion of the principles of "Xeriscape" requirements in the homeowner association's CCRs will be a condition of service connection within SWC's service area and will be incorporated into the applicable Line Extension or Main Extension Agreement.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Water Use Plan For Commercial, Industrial, Institutional Users

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to conserve groundwater and promote the conservation of groundwater by requiring all incoming commercial, industrial, and institutional users who have annual projected water use of ten acre-feet or more per year to submit a water use plan that identifies all water uses anticipated by the user, and the water efficiency measures associated with the uses.

REQUIRING A WATER USE PLAN PROGRAM – BMP 5.13

A plan is to be submitted by all new commercial, industrial and institutional users with a projected annual water use requirement of ten acre-feet or more per year. The water use plan must identify all water uses anticipated by the user, and the water efficiency measures associated with the uses. The water use plan must include at least three of the following measures:

- a. Statement of water efficiency policy
- b. Water Conservation education/training for employees
- c. Identification of on-site recycling and re-use strategies
- d. Total cooling capacity and operating TDS or conductivity for cooling towers
- e. Identification of best available technologies used for process, cooling and domestic water uses
- f. Landscape watering system distribution uniformity and landscape water budget
- g. Total annual water budget for the facility

REQUIREMENT:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically A.A.C. R14-2-405 and R14-2-406 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program and are as follows:

1. Subject to the provisions of this tariff, all new commercial, industrial and institutional users with a projected annual water use requirement of ten acre-feet or more per year, will be required to submit a water use plan which identifies all water uses anticipated by the user and the water efficiency measures associated with the uses.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Large Landscape Conservation Program

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to provide non-residential customers with support and incentives to improve their landscape water use efficiency.

LARGE LANDSCAPE CONSERVATION PROGRAM – BMP 6.12

As an incentive to reduce water use for its commercial irrigation customers, SWC works with its customers' contracted landscape companies to collect and analyze up to 3 years of historical information for their meters, analyze past consumption patterns and compare meter size with consumption rates that might suggest meter over-sizing or meter/valve/backflow malfunctions. This analysis is presented in both raw data and graphically with recommendations for potential meter resizing and identification of high consumption situations and potential malfunctions of irrigation equipment.

REQUIREMENT:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. No less frequently than every three years, or upon customer request, SWC shall provide its commercial irrigation customers with a historical consumption analysis study as described above for their respective irrigation meters within SWC's service area.

Company: Sahuarita Water Company, LLC

Decision No.: 70620

Phone: _____

Effective Date: _____

Piloting a New Initiative, Project or Program

PURPOSE

The purpose of this tariff is to enable Sahuarita Water Company, LLC ("SWC") to conserve groundwater and promote water conservation measures through the development of new initiatives, projects or programs.

PILOTING A NEW INITIATIVE, PROJECT OR PROGRAM – BMP 7.8

The documentation for each initiative, project or program contains a description of the effort including costs to implement, how it was implemented within SWC's service area and the results.

REQUIREMENT:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program, which provide as follows:

1. SWC shall document each initiative, project or program which must contain a description of the effort including costs to implement, how it was implemented within SWC's service area and the results of the effort in term of water conservation measures.